REMARKS

Claims 1-65 are pending in the application. Claims 1-65 stand rejected under 35 U.S.C. 103(a).

Claim Amendments

The foregoing amendment clarifies the expression of the invention. Support for the amendment is found throughout the specification and in the original claims as detailed below. Accordingly, no new matter has been added. New claim 66 corresponds generally to limitations found in claims 1,2, 11, 16-18, 20, 21, 23, 25-27, 29, and 32-36. New claim 67 corresponds generally to limitations found in claims 38, 40, 41, 45-47, 50, 51, 55, 56, 60, 62, and 64.

Claim Rejections - 35 USC § 103

Claims 1-65 stand rejected over Ordish (U.S. 5,727,165) in view of Gutterman (U.S. 5,297,031). The rejection is respectfully traversed and reconsideration is requested. Ordish in view of Gutterman do not teach or suggest applicants' claimed computer system for data management of a financial transaction and method for operation of the system either separately or in combination with one another.

Ordish sought to address a problem of risk of loss in anonymous matching systems due to broken trades caused by failure in the system that results in one party thinking a trade has occurred while the other party is unaware of any trade. The solution proposed by Ordish is a timer that is set when a host computer forwards a match to a seller and that generates an alarm if an acknowledgement of the match is not timely received. (Ordish, Col. 1, line 35-Col. 3, line 42). Ordish discloses a matching system in which the occurrence of automatically confirmed trades is dependent on receipt of match acknowledgement messages by the host computer from all counterparties to the matching trade. The host computer matches like bids and offers provided thereto by the various keystations in accordance with a predetermined matching criteria. Each of the keystations includes a trade status timer and a display for timing receipt of a confirmed trade and/or ticket generation message from the host

after the keystation has sent a match acknowledgement message and for displaying an "unconfirmed trade" status message awaiting receipt of the "confirmed trade" indication from the host. An alarm and a display message is provided at the keystation when the "confirmed trade" indication is not timely received. The host receives match acknowledgement messages from all of the counterparties to the match before confirming a trade. A ticket is not generated at the keystation until the trade has been confirmed by the host. (Ordish et al, Abstract).

According to Ordish, various messages are transmitted between stations in a typical transaction. Each station has a signal terminal and a message terminal for each message. For a transmitted message, the operator of the station causes a signal to be applied to the signal terminal, which causes the message to be conventionally transmitted. For a received message, the message is applied to the message terminal, which causes a command signal to be generated at a separate terminal. In practice, a single communication channel between the host and a client or keystation suffices, and separate terminals for each message may not be necessary since the station will, in practice, receive a message and detect which type of message it is and generate appropriate command signals and apply them to appropriate devices at that station. The system can have single or multiple message lines and terminals. (Ordish et al, Col 5, lines 37-58)

In operation of the Ordish system, for example, client A makes an offer to sell a quantity of a given trading instrument at a given price, which is transmitted as a message to the central system known as the host computer. The offer is anonymously broadcast as a message to all clients or keystations, including client A who made the offer and client B, by the host computer. If client B does not wish to buy the full quantity of the given trading instrument but makes a counter offer as a message to buy a portion of the trading instrument at that price, the host computer sends a message to client A that he has sold that portion of the trading instrument to client B at the offered price, and it sends a message to client B that he has bought that amount. (Ordish et al, Col 5, line 59-Col 6, line 7).

The timers in the Ordish system can have, for example, 15 second timing periods. (Ordish et al, Col 6, lines 30-32). If the timer at the host is not cancelled and reset within a predetermined time, such as 60 seconds, a time-out signal with two functions is generated; namely, one to cancel the timer, and the second to activate an alarm and declare the match as "un-acknowledged" at the host. (Ordish et al, Col 7, lines 14-19).

Gutterman sought to address problems in the open outcry method of auction trading of futures, such as inefficiencies in broker management of orders and ineffectiveness in handling order acceptances, filling reports and canceling confirmations due, for example, to manual handling of paper orders. Gutterman's proposed solution provides a broker workstation that allows a broker to communicate information on the status of orders, so they can be tracked from entry into an electronic order entry system to the time the orders are returned. (Gutterman, Col 6, lines 33-68).

According to Gutterman, the open outcry method of auction trading of futures generally takes place in a pit or around the outside of a ring. All orders received by exchange member firms are transmitted to the exchange floor for execution and are filled according to bids and offers in the respective pits by open outcry to all members present at the time. (Gutterman et al, Col 1, lines 32-36). The communication of orders from the registered representative to the order desks on the trading floor takes place with great speed. All orders are time-stamped at various stages along the order route as a check that the order is being expedited in the best possible fashion. Increasingly, this process is performed by computerized communications systems which start with a terminal used by the registered representative and end with a printer near the broker. (Gutterman et al, Col 2, lines 60-68). Brokers must read the intentions of scalpers, locals and other brokers while concealing their own intentions. One of the skills of a broker is in knowing his 'deck,' which is a stack of orders that are to be executed by the broker. The orders are typically written on pieces of paper about five by seven inches, which are then arranged by the broker in a sequence for

execution as the market price moves up or down. The broker usually folds them for concealment and puts them in his pocket so that his hands will be free to signal and to handle his trading card and pencil. Occasionally, the decks are as much as an inch thick and require great memory skill and anticipatory planning.

Also according to Gutterman, a common type of order is the "market order" in which the customer states how many contracts of a given delivery month he wishes to buy or sell. (Gutterman et al, Col 3, lines 11-30). "Contingency orders" impose certain limitations beyond the quantity and delivery month, such as limits in price or time, or both. A "price limit order" contains a price limitation that is specified by the customer and can be executed only at the price specified or at a better price level. A "fill or kill" order contains a specified price at which the order must be executed or it is to be immediately cancelled. A "buy stop order" instructs a broker to execute the order when the price of a commodity rises to a specified level above the current market price. A "buy limit order" is usually placed below the current market price and must be executed at the limit price or better. (Gutterman et al, Col 3, lines 31-61).

Further according to Gutterman, a "sell stop order" instructs a broker to execute an order when the price falls to a given level, at which point it is to be executed at the market price. Some customers will raise their stop prices as the market price advances in an effort to gain as much as possible from a major move, while making certain that they can probably lose only a little of the gain. Such an order is frequently called a "trailing stop". A somewhat more complex order is the "stop limit order". The customer might instruct his broker not to buy until a certain price is reached and not to pay more than a certain price. A "market-if-touched (M.I.T.) order" is like a limit order, but the M.I.T. order is executed at the market when the market has traded at the price specified on the order, and so it may be filled either at that specified price, above it, or below it. M.I.T. orders are sometimes called "board orders". The order may be entered for one day, a specified period, or open (i.e., good until cancelled). (Gutterman et al, Col 3, line 61-Col 4, line 20).

Additionally according to Gutterman, sometimes a customer may wish to take a position within a short time but would like the broker on the floor of the exchange to use some of his personal judgment in the timing of the fill. The broker could do this if the order indicates that he is to fill it at the market but is to take his time and will not be responsible if by waiting too long or not waiting long enough the price is unsatisfactory to the customer. Such orders may be marked "not held". Customers may also specify the time at which they wish their orders filled, e.g., "on opening," "on close," or at a particular specified time. "Alternative orders" provide for one of two possible executions. (Gutterman et al, Col 4, lines 21-43). "Scale orders" are used to establish or liquidate positions as the market moves up or down. "Contingent orders" are filled by the broker after the price of another contract or even another commodity reaches a specified level. "Spreads" may be established at a fixed difference rather than at specified prices, because the spreader is concerned only with the difference rather than the level. (Gutterman et al, Col 4, lines 44-65).

The Gutterman system proposes to allow brokers to manage their decks and improve the accuracy of communications between the trading floor and customers and reduces back office costs to trading firms by reducing the volume of paperwork and consequent errors. (Gutterman et al, Col 5, lines 49-55). The workstation of Gutterman carries out a plurality of instruction modules that can be written in any suitable computer language, such as List, Pascal and C, and is representative of a plurality of broker workstations that may be operational simultaneously. A workstation receiver module receives communications from an electronic order entry system and price reporting system that are provided by the exchange and are electronically connected to the workstation by a link. The receiver module is a port into the workstation, which can be activated initially by an attempt at connection by the order entry system. Connection of the workstation to an electronic price reporting system is substantially similar to the connection to the electronic order entry system, and the communication link can comprise any hard-wired, radio-frequency or optical technologies. (Gutterman, Col 7, lines 37-52). After time-stamping received

information, the workstation receiver module places the information in the workstation-in queue, such as a first-in-first-out buffer, and transmits an acknowledgement message to the order entry system. (Gutterman et al, Col 8, lines 33-37).

Ordish and/or Gutterman are devoid of any teaching or suggestion of features of Applicants' claimed computer system for data management of a financial transaction and method for operation of the system, wherein the rate server generates a rate quote for a proposed financial transaction consisting of an executable rate quote, if a predefined condition for generating the executable rate quote is identified, or a category trader's rate quote, if a predefined condition for generating the category trader's rate quote is identified. The predefined condition for generating the executable rate quote exists if a predefined cause for rejecting the request for the financial transaction is not identified by at least one of the transaction server and the rate server. The category trader's rate quote is generated if the predefined condition for generating the executable rate quote is not identified and if the predefined condition for generating the category trader's rate quote is identified. The predefined condition for generating the category trader's rate quote exists if the predefined cause for rejecting the request for the proposed financial transaction is identified and if a predetermined setting of a request for quote parameter corresponding to the identified cause for rejecting the request for the proposed financial transaction is likewise confirmed by either or both of the transaction server and the rate server.

Further, according to Applicants' claimed invention, the user terminal prompts the user for a selection of the generated rate quote, which comprises the executable rate quote if the predefined condition for generating the executable rate quote is identified, or the category trader's rate quote, upon failure to identify the predefined condition for generating the executable rate quote and if the predefined condition for generating the category trader's rate quote is identified. A system counter holds the generated rate quote for the user for a predetermined time-out period, and if the transaction server receives the user's request for execution via the user terminal before the expiration of the time-out period, the transaction server hands off the

request to a hand-off server for execution of the requested transaction. The above-noted aspects of Applicant's claimed invention are not disclosed or suggested by Ordish and/or Gutterman either separately or in any combination with one another. Specifically, the asserted references fail to provide key features of the invention, and the claimed invention is patentably distinct from the cited references.

On the contrary, Ordish and Gutterman both focus on timing aspects, such as timing out the acknowledgement in Ordish and time stamping order entries by Gutterman. The Ordish offer matching system is designed and implemented to address a problem of system failure, where one party thinks a trade has occurred while the other party is unaware of a trade. An offer received by a host computer from a user terminal is broadcast anonymously to all terminals on the system, and when the host computer receives an acceptance from a counterparty's terminal, it sends a notice to both parties and sets a timer that generates an alarm if the notice is not acknowledged in the time-out period. The Gutterman system is designed and implemented to provide a broker workstation that allows a broker to communicate tracking information on the status of orders and includes a receiver module that receives communications from an electronic order entry system of an exchange, time-stamps the information for audit and integrity functions, places it in a workstation-in queue, and transmits an acknowledgement message to the order entry system.

On the other hand, Applicants' claimed invention address a problem in existing systems that function on a standing price basis (i.e., the host bank guarantees the rate for a predetermined time-out period), in which the host bank typically limits its risk by only authorizing deals up to a certain size at the standing price. Thus, if the deal exceeds the limit set by the host bank, the deal is simply rejected and the customer notified to contact a trader direct to complete the deal. A solution provided by Applicants' claimed invention allows deals to be consummated that exceed limits imposed, for example, by the host bank, as well as in other circumstances in which a rate may not be available. Thus, according to Applicants' claimed invention, the rate server generates an executable rate quote if a cause for rejecting the proposed transaction is not identified by either or both of the transaction server and the rate

server; however, if a cause for rejection is identified, and if a predetermined setting of a request for quote parameter corresponding to the identified cause for rejection is confirmed by either or both of the transaction server and the rate server, the rate server generates a category trader's rate instead.

Ordish and/or Gutterman neither disclose nor suggest the computer system of data management and method of operation of the system, according to Applicants' claimed invention.

Version With Markings to Show Changes Made

Amendments in the Claims:

In accordance with 37 C.F.R. § 1.121(c)(1)(ii), a marked up version does not have to be supplied for an added or deleted claim.

Conclusion

In view of the foregoing amendment and these remarks, each of the claims remaining in the application is in condition for immediate allowance. Accordingly, the examiner is requested to reconsider and withdraw the rejection and to pass the application to issue. The examiner is respectfully invited to telephone the undersigned at (336) 607-7318 to discuss any questions relating to the application.

Respectfully submitted,

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